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BILL



ANALYSIS

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Senate Bill 1280 (as enacted)  
Sponsor: Senator Tom Casperson  
Senate Committee: Natural Resources, Environment and Great Lakes  
House Committee: Natural Resources, Tourism, and Outdoor Recreation

**PUBLIC ACT 622 of 2012**

Date Completed: 2-14-13

**CONTENT**

**The bill amended Part 21 (General Real Estate Powers) of the Natural Resources and Environmental Protection Act to do the following regarding the designation and sale of surplus State land:**

- **Require the Department of Natural Resources (DNR) to give due regard to the variety, use, and quantity of land under its control.**
- **Allow the DNR to authorize a sale that will promote the State's forestry or forest products industry or mineral extraction and use industry, if other conditions are met.**
- **Prohibit the DNR from authorizing a sale if the balance of the Land Exchange Facilitation Fund will exceed \$25.0 million (rather than 2.5 million).**
- **Require the DNR to act upon an application for the private purchase of surplus State land before any other application for that land submitted at a later date.**

The bill took effect on January 9, 2013.

Part 21 authorizes the DNR to designate as surplus land any State-owned land under the Department's control that has been dedicated for public use, and to sell the land on behalf of the State if the Department determines that certain criteria are met. These criteria include the conditions that the sale will not diminish the quality or utility of other State-owned land, and that the sale is in the State's best interest. With regard to the first criterion, the bill refers to other

State-owned land adjoining the land to be sold. With regard to the second criterion, the bill requires the DNR to give due regard to the variety, use, and quantity of land under the Department's control in determining whether the sale is in the best interest of the State.

In addition, the bill requires that at least one of the following conditions be met:

- The land has been dedicated for public use for at least five years immediately preceding its sale and is not needed to meet a DNR objective.
- The land is occupied for a private use through inadvertent trespass.
- The sale will promote the development of the State's forestry or forest products industry or mineral extraction and use industry.

(Previously, one or both of the first two conditions had to be met.)

Part 21 prohibits the DNR from authorizing the sale of surplus land if the proceeds from the sale will cause the balance of the Land Exchange Facilitation Fund to exceed a prescribed amount. The bill increased the limit from \$2.5 million to \$25.0 million. (The DNR may use Fund money only for the purchase of land for natural resources management, administration, and public recreation that has been approved by the Legislature for purchase; and for the costs of advertising, appraisals, negotiations, and closings incurred by the Department in the sale of surplus land and the authorized purchase of land.)

Part 21 requires the DNR to conduct the sale of surplus land through either a public auction sale or a negotiated sale. Under the bill, each application, as later amended or supplemented, submitted by a private person for a purchase through a negotiated sale must be considered and acted upon by the DNR to final decision, before any other application submitted at a later date by a different private person for the purchase or exchange of the same land.

MCL 324.2131 & 324.2132

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

Overall, the bill will likely have a neutral fiscal impact on the Department of Natural Resources. The bill allows the sale of surplus land if the sale does not cause the balance of the Land Exchange Facilitation Fund to exceed \$25.0 million. Previously, the limit on the Fund was \$2.5 million. Any additional revenue that accrues to the Fund may be used for the purposes of purchasing land and defraying the associated costs of the DNR.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.